

10 THE DECLINE IN ILLEGAL LOGGING IN KACHIN STATE

“Our Kachin forefathers’ advice was that people should never cut trees on the tops of hills or beside rivers. But the Chinese are cutting all the trees. They also burn the land after they have finished cutting.” Church leader, Kachin State; 2006

Since the launch of ‘*A Choice for China*’ in October 2005, Global Witness has carried out several spot checks in Kachin State and talked to more than ten people with an intimate knowledge of the area. They have all confirmed that the timber trade continues but at a significantly lower level than in 2005. This evidence is supported by Global Witness’ analysis of trade data from China. Timber transport at night, sometimes by motorbike or mule, has become more common.

Widespread forest loss throughout Kachin State is leading to serious environmental and social problems (see ‘*A Choice for China*’, pages 28-36) and is ultimately undermining development. There are far fewer trees now than there once were near the Burma-China border and it has proved difficult to extend the logging roads to extract the remaining timber in less accessible places such as Sumprabum in the Triangle area. However, despite the problems even the southern part of the Triangle is now largely exhausted and there is little hardwood left in Bhamo. Logging of large trees to extract essential oils from the bark is also taking place.⁴⁰⁶ Armed ethnic opposition groups, such as the Kachin Independence Organisation/Army (KIO/A) and the NDA(K) should help end this illegal and destructive trade, particularly logging operations in areas under their control and timber exports that pass through their territory.

Logging and associated trade boomed in the years following the ceasefire deals between the SPDC and the Kachin armed ethnic opposition groups, negotiated in the late 1980s and mid 1990s. However, restrictions imposed by the former SPDC Northern Commander, Ohn Myint, in late 2005, and the Chinese government in early 2006, have resulted in a decline in logging activity and trade for the first time in more than a decade. Despite this, forest destruction has not yet come to a complete halt.

NDA(K) Chairman, Zahkung Ting Ying is apparently opposed to the logging ban.²⁸⁸ In contrast, senior KIO/A officials told Global Witness in January 2005 that they would forgo revenue derived from the timber trade rather than see the forests of Kachin State destroyed.²⁸⁹ However, long-term sustainable and equitable forest management is

not yet a priority for either the SPDC or the armed ethnic opposition groups.

Logging in Kachin State remains opaque, complex and in the hands of many different groups. The *Tatmadaw*, the KIO/A, the NDA(K), and individual Kachin, Chinese, and Bamar businessmen are all involved at different levels. No single group has control over the trade and deals often include several different individuals and/or groups. For example, timber logged in KIO areas may have to pass through an SPDC checkpoint and NDA(K) territory on its way to the Chinese border. At the same time, timber logged in SPDC-controlled southern Kachin State is often transported through KIO areas when exported to China. Bribes, in the guise of taxes, are an integral part of the system.

In 2006-07, logging was at its most severe in the Triangle area between the N’Mai Hka and Mali Hka rivers (see ‘*10.3.1 Logging in the Triangle*’, page 77-78). Logging, by predominantly Bamar companies, was also taking place near the Ledo Road as part of clearing the land for rubber and sugar cane plantations. Most of the logging operators in southern Kachin State have moved to nearby Sagaing Division citing the depletion of forests in Kachin State as the main driving force. According to one source, most of the planks currently being exported to China are from northern Sagaing Division.⁴⁰⁵

As a result of the Burmese and Chinese restrictions the once open trade has now largely gone underground, and trade routes into China have become more complex in response to more stringent controls. This may all change however. In what many will see as a retrograde step, on 20 September 2008, according to press reports, the new Burmese Northern Commander Brigadier General Soe Win officially granted logging permits to all armed ethnic opposition groups in Kachin State including Dangku Ah Dang’s RRF in Konglangphu.²⁹⁰ Global Witness has not been able to verify this information.

According to one NGO source based in Kachin State, logging is, at the time of writing, being carried out primarily in three places. The first logging site is in Jubilee area of the Triangle, under the control of the KIO. Timber from the Triangle is trucked through the outskirts of Pangwah, where the NDA(K) has its headquarters, via the Kampaiti Pass to Tengchong. The second area is near Bhamo and Shwegu, under the control of the SPDC. Logs are trucked from here via Nong Dao to Ruili. The third area is Sinbo from where logs are sent to Yingjiang. The businessmen controlling the timber trade are mainly of Chinese origin, based in both Burma and in China.²⁹¹

10.1 Crackdown on illegal logging in Kachin State

“China first wants to have a peaceful surrounding - to say they just want to make money is too simple.” Former Communist Party of Burma member, Yunnan Province; 2005

One of Northern Commander Major General Ohn Myint's first acts in office was to announce that logging in three specific forest reserves in Kachin State was prohibited. This was followed by an outright logging and timber transportation ban in late 2005. The ban has actually been enforced on the ground, albeit inconsistently. This is in contrast to earlier bans, announced by previous incumbents of the post, which were never implemented. Around 600 Chinese logging and mining workers in Kachin and Shan states were arrested in 2005. According to news reports most of them were sentenced to 12 years in prison^{g5} in Myitkyina and/or Bhamo and held for several months before being repatriated.²⁹²

The stricter approach to logging and the timber trade appears to have been sanctioned by the central authorities in the new administrative capital, Nay Pyi Taw.^{g6, 293} In this regard, it is interesting to note that one of the new Northern Commander Brigadier General Soe Win's first acts in office was to ask forestry officials to map the timber smuggling routes leading to China.²⁵⁵

Crackdowns in armed ethnic opposition areas have been infrequent simply due to the government's lack of control over these areas. Nevertheless, the restrictions from the Burma side have had a direct impact on the trade. The Chinese restrictions, on timber imports from Burma, have had a more significant impact on the trade because they have been enforced more effectively. This has had a negative financial impact on the armed ethnic opposition groups who relied more heavily on this trade and have fewer income-generating alternatives than the SPDC.

In the light of the shortfall in logging revenue, the NDA(K) is turning to the few alternative sources of income open to it such as gambling and mining. For example, the Htang Shanghkawng mine, located in Gawyun Village, Nuzung Baw Township (about 50 km from the Chinese town of Tse Tse) is rich in molybdenum. In 2006, Global Witness researchers were told that molybdenum ore from the mine was being sold for 500,000-600,000 yuan (US\$65,000-78,000) per ton.^{g7} The mine, operated by the Myanmar Apex Company, is owned and managed by Mangshang Ding Ying. The main investor is a Chinese businessman, Mr Chang Lin Hwa, who also built the road to the mine. Persistent rumours exist that a dispute over control of this mine, between Zakhung Ting Ying, Layawk Ze Lum, and Lauwa Zawng Hkawng, who had also invested heavily in



Truck carrying molybdenum ore from the Htang Shanghkawng mine (located in Gawyun Village in Nuzung Baw Township in Burma), Tse Tse, China; April 2006



Gambling centre in Pangwah Town; 2007

g5 The same report states that crossing the border illegally is punishable by 5 years in prison and illegal lumbering by 7 years. Global Witness has not been able to confirm this information.

g6 Translated as 'Abode of Kings'.

g7 These figures appear to be on the high side. See for instance: \$US1,200 per ton of rock at: http://www.molyseek.com/index.php?Itemid=2&id=88&option=com_content&task=view



MTE trucks carrying teak logs from Indawgyi Lake to Hopin, Burma; January 2006



After the main forest was gone, local people cleared the remaining forest and planted rice paddy. Sadon, Burma; June 2009



Logging started in 2000 and intensified with the construction of the Myitkyina-Kampaiti-Tengchong road. Sadon, Burma; June 2009

the mine, was the main reason behind the NDA(K) coup attempt.^{294, 295}

Overall the Burmese and Chinese restrictions have resulted in a decrease in logging activity, a decrease in the transportation of timber to China, and economic losses for the armed ethnic opposition groups and for individual timber traders. SPDC officials involved in the illicit trade, based in Kachin State, have also probably lost money as a result of the crackdown. It is very difficult to ascertain precisely how much the trade has slowed down, however local observers estimate that the logging activity might have fallen by as much as 50%.^{296, 297}

It appears that logging sanctioned by the Myanmar Timber Enterprise (MTE), mainly in southern Kachin State, and logging to clear land for plantations have been exempted from the ban. Global Witness has found no evidence of crackdowns in relation to such logging activities.

Concerns that logging areas and the timber trade would simply shift from the armed ethnic opposition groups to the government have not materialised. The government has increased its territorial control but logging and timber transport near the China border, and in the lucrative Triangle area, remain under the control of the armed ethnic opposition groups. There is no clear evidence that timber exports to China through government-controlled routes have greatly increased at the expense of the armed ethnic opposition groups, or that

large amounts of timber from Kachin State is being shipped to Rangoon instead of being exported to China. This is most likely because of the long distances involved and associated high transportation costs, together with a low potential purchase price from the government. In addition, many of the logging areas near the China border are not well linked, if at all, with the road network in Burma. That said, there has been a small increase in official exports to China via Rangoon, however, this timber is unlikely to have originated in Kachin State (see '6.1 Burma-China timber trade – analysis of trade data – the extent of illegality', pages 14-15).

BOX 6: OPINIONS ABOUT THE LOGGING BAN

“We were very hopeful versus the banning of the logging business – the Global Witness effort – that it would follow some support from outside. But so far no help.” Senior KIO leader, Myitkyina, Kachin State, January 2007

People in Kachin State have had mixed views on the logging and timber transport restrictions. Most of the people interviewed cautiously welcomed the ban hoping that it will slow down the forest destruction. A group of Kachin youths were typical in this respect: *“The timber ban is bad for the KIO due to the decrease in money. For the people it is good because it preserves the natural resources for the future. Many people share this thinking but for people who are close with the KIO, it is not so good.”*²⁹⁸ Another local spoken to by Global Witness also supported the ban, *“The logging ban is good because the logging only benefits Chinese businessmen. Local people used to get orders to cut trees in their farms and are therefore happy about the ban too. There haven’t been that many jobs lost in Kachin because most of the workers were Chinese and their food and machinery were brought over from China too.”*²⁹⁹ That said, Global Witness has learned that some local traders have faced losses and as a consequence have not been able to pay the school fees for their children.³⁰⁰ In one village south of Bhamo, local villagers who had previously sold teak from nearby areas suffered economic shortfalls as a result of the restrictions. Some villagers could not afford to send their children to school and faced difficulty in paying for food and health care.³⁰⁰

Others question the motives of the SPDC. Some are concerned that local people involved in the trade will



lose their jobs or that the logging will continue at the same scale but with profits going to the SPDC rather than the armed ethnic opposition groups. For example, a Kachin environmental campaigner told Global Witness, *“It is difficult to say if it [the logging ban] is good or bad. But the Chinese and the SPDC are not doing good work. The SPDC is trying to control local forests and the ethnic groups; that is not good. And the Chinese are supporting the SPDC to expand control.”*³⁰¹ A church leader expressed similar concerns about the effect on the KIO/A: *“The situation is better now with less logging but I would like to protect the KIA [...]. Indirectly the SPDC is affecting the KIO. They [the KIO] cannot control much now.”*²⁷³

In contrast, senior KIO officials have expressed support for the logging and timber transport restrictions; in particular those imposed from the Chinese side. *“It is good for Kachin State that the Chinese have stopped the timber trade,”* said one top KIO leader in January 2007. *“We are very thankful – without this there would be no forests in Kachin State. We want to do replanting but cannot do much ourselves but it is our duty to replant.”*³⁰² Another senior leader explained, *“We do not want to relax the restrictions at the border. We want to keep the natural resources like forest and minerals. We don’t want to destroy the environment – the beauty of Kachin State. But we need financial support for road construction, the hydroelectric power plants, the school and health care [...].”*³⁰³ An influential younger KIO officer thought that the Chinese ban was good in terms of environmental protection but not for business, *“But it is still good – less money but not losing natural resource.”*³⁰³

Not all KIO officials are likely to be as positive given the economic difficulties the organisation and private individuals have faced in the wake of the restrictions. The KIO has had to reduce some of its development activities and food provision for its troops.³⁰⁴ Continued logging in KIO areas and the transport of timber through areas under its control suggest that at least some within the organisation do not support the ban.

Sources close to the NDA(K) have told Global Witness that the NDA(K) has also faced economic losses and that Zakhung Ting Ying is strongly opposed to the ban.

10.2 Enforcement of the logging and timber transportation ban

“The Burmese soldiers are vicious. They use guns and bats. The mountain soldiers [armed ethnic opposition groups] are very easy to deal with. You bribe them with some money and then they won’t bother you.” Elderly woman at a grocery store in Sudien, near Yingjiang, Dehong Prefecture, April 2007

In January 2006, Ohn Myint, Northern Commander at the time, told Global Witness that he had taken effective action against logging. He went on to say, *“The forests are important. It takes a hundred years for a tree to grow but it is also important to do development.”*³⁰⁵ By this time, the logging operations in Kachin State had slowed down following crackdowns in late 2005 by troops under his control.³⁰⁶ According to a local development worker the Northern Commander did not even allow logging for the construction of houses or hospitals. Activity had stopped, at least temporarily, in the normally busy logging areas in southern Kachin State. *“People are killed if they don’t obey his [the Northern Commander’s] orders.”*³⁰⁷ According to another source, *“There is not so much timber export anymore since there is more control now. Before it was out in the open – now there is less.”*³⁰⁸ A school headmaster, with a good knowledge of the trade, told Global Witness, *“At the moment there is no cutting going on [in southern Kachin State] and they cannot transport the logs. Transportation has almost stopped in SPDC areas but not in KIO areas.”*³⁰⁹

According to a leading KIO official interviewed in early 2006 the, *“New [Northern] Commander wants to control the timber as much as possible but frontline officers encourage businessmen to do logging. They still do that now but not on a very big scale and not very openly. It is occurring to the west of the Irrawaddy River, south-west of Bhamo. The timber is transported to China via KIO and NDA(K) checkpoints to avoid giving the government a bad name.”*³¹⁰

The *Tatmadaw* confiscated 27 Chinese log trucks in March 2007, in Sinbo. Ten Chinese workers from the same company were arrested and about one thousand large teak logs were impounded nearby. The Chinese company had obtained permission from the SPDC to build a road from Hopin to Nalong, in southern Kachin State, in exchange for logging concessions along the road. However, it logged a larger area than allocated, which prompted the arrests and confiscation of timber. The trucks and workers were transported to the Northern Command compound in Myitkyina, on 24 March 2007.³¹¹ Generally, control of logging in the Sinbo area by the *Tatmadaw* has increased since late 2005. This has frustrated logging operators in the area and led to a decrease in the number of logs transported from here to Sampai nearer the China border.³¹²



SPDC checkpoint, Kachin State



NDA(K) checkpoint, Kachin State



KIA checkpoint, Kachin State

In mid April 2007, Burmese military intelligence confiscated six log trucks carrying teak on the way from Bhamo to Loiye. *Tatmadaw* Infantry No. 47 had previously confiscated this teak at Kaihtik, south of Bhamo. This unit handed the timber to a higher-ranking *Tatmadaw* unit in Bhamo, which then tried to transport the timber to China but were caught. Before the timber was confiscated the first time, businessmen had paid 2,500,000 kyat (US\$2,049) to the *Tatmadaw* post in Kaihtik, another 2,500,000 kyat (US\$2,049) to the *Tatmadaw* post in Mansi and 3,500,000 kyat (US\$2,869) to the *Tatmadaw* unit in Bhamo.³¹³

In late June 2007, the BBC World Service reported that *Tatmadaw* troops had confiscated six boats carrying teak, at the confluence of the Irrawaddy and Taping rivers, and ten trucks and five motorcycles carrying teak in Mansi Township, south of Bhamo. Apparently, however, the troops did not arrest the traders involved, after accepting bribes.³¹⁴

In early 2008, *Tatmadaw* battalions from Bhamo District seized 40 trucks carrying teak and tamalan en route to Nong Dao, according to the Kachin News Group. The operation was carried out jointly with the Forest Department, the Immigration Department, the police, and SPDC administrative offices. Again, bribes had been paid in advance to SPDC checkpoints in Kaihtik and Man Win Gyi, where soldiers are being rotated every three to four months. However, in this case it did not facilitate the smooth transfer of the timber to China.³¹⁵

Switching the troops on a regular basis is costing Chinese businessmen a great deal of money in developing new relationships. Not only does this practice drive their profits down, it has also helped to put some companies out of business and prevented others getting established in the first place.⁴⁰

In many cases, the confiscated timber is auctioned off to local traders or to the armed ethnic opposition groups. Following the Chinese suspension of timber imports from Burma in late March 2006, traders and others close to the trade have told Global Witness that their main problem is getting the timber across the China border due the enforcement efforts on the Chinese side.³¹⁶ As one high-level KIO officer explained in 2007, “*The KIO can now get a permit for a limited amount [of timber]. The SPDC has so many confiscated logs so they allow us to use it in the organisation. The problem is that the China side does not open the border.*”²⁹³

Tatmadaw troops were once again pursuing Chinese loggers, in the forests of Bhamo District, in January 2009. The military, including soldiers sent from the new capital Nay Pyi Taw, detained over 30 log trucks as part of the operation.³¹⁷ As a result of this intervention, apparently carried out by three battalions, hundreds of loggers that had been active in the areas since mid-November 2008 returned to China.⁴⁰ The crackdown, however, would appear to be at odds with Soe Win’s earlier decision, reported in the press, to allow logging in Kachin State,³¹⁷ and does not

seem to apply to the Awng Mai Company either. Press reports from April 2009 claim that the Awng Mai Company has been illegally exporting teak to Nong Dao along three cross-border roads that it controls near Man Win, since December 2008. The company, which is run by military officers and supposedly linked to Senior General Than Shwe’s sons-in-law, is only authorised to buy and export teak previously seized by the authorities.¹⁴⁵ Awng Mai is also thought to have close ties to the former Northern Commander, Ohn Myint.³¹⁸ Indeed, it has been reported that Ohn Myint’s son and three brothers-in-law all work for the company.³¹⁹ Whatever the truth of such speculation, which Global Witness has not been able to verify, the company clearly enjoys a good deal of support in high places.



Tatmadaw soldier, Kachin State; January 2007

BOX 7: THE DECLINE IN THE NUMBER OF LOGGERS IN KACHIN STATE

“The way the Chinese people do logging in Myanmar is ruinous to the Myanmar forests. They cut down every single tree and only remove the ones with a diameter over 28 cm. The smaller ones are just left in a mess.” Timber trader from Henan Province, Sudien, Dehong Prefecture, January 2007

The moratorium on the border timber trade, issued by the Yunnan Provincial authorities, included an order, “to restrict Chinese citizens who illegally leave the country to carry out logging or mining”.³⁹ Other reports indicate that the Chinese authorities have called, “for all Chinese workers in Burma to return home” and that they, “would not take any responsibility for those who did not return”.³²⁰ Despite these warnings, Global Witness has obtained information indicating that several thousand Chinese workers were still logging in northern Burma’s forests in 2006 and 2007. Numbers have been on the decline but Chinese loggers were also active in 2008 and 2009.⁴⁰

Loggers are facing hardship in the forests of Burma due to the difficult working conditions, and opium use is extensive.³²¹ As of late 2005, they also run a high risk of being arrested by the *Tatmadaw*. More than 600 Chinese workers were arrested over a short period from late 2005 until early 2006, according to official figures.³²² All of these were reportedly repatriated in May, June, and July 2006.^{292, 323, 324} The repatriation was the largest in the history of Yunnan Province and China-Burma relations.^{323, 324, 292} Stories of recent arrests, beatings, torture, and killings of Chinese

logging workers, at the hands of the *Tatmadaw*, are widespread in the border area. However, with the exception of the well-documented arrests, Global Witness has not been able to confirm these stories. The Burmese Forest Minister states that no Chinese workers have been killed by its armed forces.³²² Nevertheless, the stories reflect deep-felt fears held by many of the Chinese workers who, interestingly, distinguish clearly between the *Tatmadaw* and local ethnic opposition soldiers – the former often being described as “greedy” and “vicious”, and latter as “poor” and “easy to deal with”.³²⁵

As a result of the suspension of the timber trade, and the crackdown on Chinese logging and mining workers by the *Tatmadaw*, the number of Chinese logging workers in northern Burma’s forests has decreased. It has been suggested by several sources that around 20,000 Chinese, mainly migrants from Sichuan Province but also locals from the border area,³²⁶ were previously working in the area, but no definitive figures exist.

In May 2006, four companies in Fugong, contracted by the large Huaxin Company, which owns substantial tracts of forests in Burma, had 300 logging workers in Burma, 20-30 km from the border.³²⁷ The leading timber trader in Sudien, Dehong Prefecture further south, also had logging workers inside Burma at the time.³²⁸

According to a local man, Hongxin Company based in Nabang had 2,500 workers in Burma’s forests in January 2007.³²⁹ A timber trader from Henan Province who was visiting the area explained, “Chinese people have still been continuously working in Burmese forests for logging after the border closed. Therefore, there are a lot of logs waiting in Burma for when the Chinese people come back once the border reopens.”³³⁰

In April 2007, loggers were still obtaining permits to cross into Burma in Fugong and Gongshan, Nujiang Prefecture, while others were sneaking across.^{331, 332} In the same month, Global Witness spoke to a small group of loggers in Nabang. They reported that approximately one thousand Chinese loggers were working in an area 70-80 km from the border. Loggers cannot use the official border crossing points to get to the logging area because they would be arrested, instead they use a secret crossing through the mountains.³³³



Illegal Chinese logging camp, Burma; March 2006

10.3 Logging and timber transportation in KIO-controlled areas

“If there is support from outside to build roads and hydro-electric power plants, then there is no need to cut the timber.” Senior KIO leader, Myitkyina, Kachin State, January 2007

Logging and taxing the transportation of timber has been the KIO’s main source of revenue over the last decade.³³⁴ Since the imposition of the moratorium on cross-border timber trade by the Chinese government, and the crackdown on logging by the Northern Commander, logging in and transport of timber through KIO-controlled areas has declined.³¹⁸

It has not yet been possible to ascertain the impact, or the veracity, of Soe Win’s decision to grant logging permits to the armed ethnic opposition groups in September 2008. However, according to press reports Chinese loggers had begun to arrive in Burma by November and the export of timber to China resumed in early December.³³⁵ Global Witness research, carried out along the China-Burma border in March 2009, suggests that trade is picking up, albeit slowly. This research also supports press reports that the KIO has reduced taxes on timber. According to the Kachin News Group, the KIO’s Central Treasury Department reduced tax on hardwood exports to China from 780 yuan (US\$115) per Lifang,^{g8} before the Beijing Olympics, to 650 yuan (US\$96). Chinese timber traders, however, were prepared to pay only 400 yuan per Lifang (US\$59), resulting in stalemate.²⁹⁰

There had been high-level KIO support for the restrictions, in particular those from the Chinese side. However, senior KIO leaders argue that they need alternative sources of revenue to promote development projects in areas under their control. This, they maintain, would go some way to showing the broader Kachin public that progress has been made following the ceasefire deal.^{336, 337, 338, 339} The KIO leadership

is also disappointed that the international community has not provided assistance, in the wake of the ban,³⁴⁰ and are planning to turn to mining to make up the revenue shortfall.³³⁸

Some of the revenue generated by the timber trade has financed road building and hydroelectric power plants, and helped to set up schools, health clinics, and other development projects. However, it is a wide-held belief, throughout the state, that much of the money has been squandered or ended up in the pockets of powerful individuals.³⁴¹

The need for revenue for development purposes and the power of individual interests might also explain why the rhetoric and the reality on the ground do not entirely match up.



KIA soldier at log storage area, Npaba; June 2005

g8 Cubic metre, Chinese vernacular.

10.3.1 Logging in the Triangle

“I don’t understand the U.S. They open trade with China but put sanctions on Myanmar. The Chinese are dangerous – they are taking over everything.” Youth, Myitkyina, Kachin State, January 2007

As timber resources have been depleted near the China-Burma border, logging operations have moved further west. Since 2004, the Triangle area, located between the N’Mai Hka and Mali Hka rivers, has become a major source of timber (see ‘A Choice for China’, pages 61-62). Throughout 2006-07, it was the KIO’s main logging area. From October-November 2006 until January 2007, around 60,000 m³ of timber was logged here according to the KIA and high-level NDA(K) sources.^{342, 343}

The Awng Mai Company has been logging on a small scale in the vicinity of Njangyang, a small town under SPDC control. The company had obtained permission to log from the SPDC, between 2005 and 2006, in connection with the SPDC’s Njangyang development project. In 2006, Global Witness researchers were told that Chinese loggers were busy in the area just north of Chipwe Bridge. Local people living nearby complained that between January and June 2006 they could hardly sleep at night due to the noise from the logging and the timber trucks. They explained, *“We do not get any benefit from logging. We feel like a waiter who just gets to smell the bad air and gets no money.”*³⁴⁴

Most of the logging companies operating in the Triangle area are Chinese with the exception of a few

Kachin businesses. Until April 2006, the Jinxin Company was the largest in the area (see ‘A Choice for China’, pages 59 and 61). By early 2007 however, the key timber operator in the Jubilee area of the Triangle was a Chinese businessman called Mr Gau Sin Wang, who had entered into an agreement with the KIO.^{345, 346} In contrast, the prominent Jadeland Company, once a major logging operator throughout Kachin State, in particular in the Triangle area, faced heavy losses in 2006-07 as a result of the logging moratorium. Jadeland’s flamboyant owner Yup Zau Hkawng, widely believed to be the richest man in Kachin State, has had to rationalise some of his logging operations and others have generated less profit.^{347, 348, 349} His ‘road construction for logging’ joint venture with the KIO’s Buga Company has also come to an end (see ‘A Choice for China’, pages 68-69).³⁵⁰

The Triangle area is predominantly under KIO control but the timber has to pass through NDA(K) or SPDC checkpoints where it is taxed en route to the China border. In 2006-07, timber from the Triangle area was transported through roads in NDA(K)-controlled areas, bypassing the NDA(K) headquarters in Pangwah, to reach Dian Tan and nearby towns in the Tengchong area of Baoshan Prefecture, in Yunnan Province.³⁴⁵

The impact of periodic Chinese crackdowns, on timber importation from Burma, has clearly been felt in the Triangle area. For example, according to one senior NDA(K) officer, the Chinese authorities ordered all logging and mining workers to leave northern Burma in late January 2007.^{g9, 351} Apparently, a Chinese policeman from Tengchong arrived in Jubilee Village on 24 January 2007 and ordered all the Chinese workers to leave immediately, which most of them did the following day. On the night of the 25 January, more than 200 empty log trucks from the N’Gumla, Washa and Myawmaw areas of the Triangle area, crossed Chipwe Bridge, and exited Burma through the official Pangwah-Dian Tan border crossing. However, more than 300 Chinese logging workers hid in



The Chipwe Bridge

g9 Chinese logging and mining workers were prohibited from entering Burma from late March 2006. This would appear to be a reconfirmation of that order.

the forests of the Triangle, near Myawmaw, in defiance of the order.³⁴⁵ Global Witness received reports that ‘serious logging’ was taking place in the area surrounding N’Gumla, the headquarters of the KIA 1st Brigade, and also in the KIO-controlled Myawmaw area, 6 miles from Zangnauyang. A KIA post located at Washa, 10 miles from Zangnauyang on the road to N’Gumla, was taxing log trucks and timber was stockpiled here.^{343, 345, 352}

Instead of using the most direct route, along the Chipwe-Pangwah road to China, a more circuitous route has been in use since 2006, seemingly to avoid *Tatmadaw* troops. From the Jubilee Bridge, timber is transported northwards along the western bank of the N’Mai Hka passing Chipwe. Further north it is hauled across the river and transported towards China via the Zuklang Road passing just north of Pangwah. According to some local sources, this route has been built by a Chinese company and possibly approved by the KIO and NDA(K) leader Zahkung Ting Ying.³⁵³ Global Witness has not been able to verify this information. However, it is very unlikely that this could take place at scale without the KIO and the NDA(K) giving explicit permission.

By early 2007, traders were facing difficulties moving the timber to the China border because of the restrictions imposed by the SPDC and the Chinese authorities.³⁴² As a result, much timber was stored in the vicinity of the Chipwe and Jubilee bridges, which both span the N’Mai Hka River.³⁵³ The number of shops catering for the timber transportation businesses in the Jubilee area had doubled by 2007 compared to the previous year.³⁵⁴

Chinese loggers were reported in the Jubilee area in late 2008.³⁵⁵ More recently, according to press reports, two hundred trucks, “brimming over with timber”, were seen at the Jubilee timber camp, lined up and ready to drive to Tengchong. The trucks will have to pass through areas controlled by the KIO, the NDA(K) and the SPDC en route to China.³⁵⁵



Jadeland’s flamboyant owner Yup Zau Hkawng; January 2006



The Jubilee Bridge



Reloading logs onto bigger trucks, the Zuklang Road; April 2009

BOX 8: BIRDLIFE INTERNATIONAL ARTICLE FROM THE BABBLER: CONTINUED CHINESE LOGGING RUINS MOUNT IMAWBUN, MYANMAR

“China has clamped down on illegal logging in northern Myanmar by closing its border to the timber trade and ordering Chinese workers to leave the country. The order was issued by the Provincial Government of Yunnan, China. It included the trade in timber and minerals and referred to Chinese logging and mining workers.” So stated the Xinhua New Agency on 27 March 2006 under the headline, ‘Yunnan Public Security Border Defense Brigade takes actions to ensure the Yunnan-Myanmar timber and mineral trading cooperation.’ Although welcomed at the time and declared an “unprecedented move” by Global Witness, BirdLife can confirm that in January 2007 the logging trade was in full flow.

Fieldwork conducted by BirdLife in the Mount Imawbun area of north-east Kachin State in January 2007 saw ample daily evidence of logging and mineral extraction by Chinese companies. On the night of Friday 12 January we counted more than 100 fully

laden logging trucks leaving an area known as “the triangle” crossing the Chinese-built suspension bridge across the Nmai River and passing through the town of Chibwe en route to the international frontier. At a truck stop at 3,000 m just short of the Myanmar-Yunnan boarder at Kangfeng, the team watched fully laden Chinese logging trucks role in every night so the drivers could get a hot meal and put snow-chains on their trucks before the drive to the border. Trucks parking overnight had to set fires under their engines to thaw-out the frozen diesel.

The team also observed huge blocks (30 m³) of freshly quarried marble also being trucked out. The first time that this had been observed by BirdLife in this area. As Chinese Lunar New Year approached their seemed to be more logging traffic queuing-up as drivers made haste to return to the motherland.

From our highest vantage points at 3,400 m and for as far as we could see, the tell-tale signs of logging roads and the landslips that so often accompany them could be seen on every ridge to the horizon. During this trip the team also saw, for the first time, saw-mills on the Myanmar side of the border.

The extraction of such enormous volumes of timber from this area has seriously reduced the biodiversity value of this world famous site first surveyed by plant hunter Capt. Frank Kingdon Ward and later by the Anglo-American Verney-Cutting expedition during the late 1930s. Despite the work done by these scientists and others, confirming the global conservation importance of this site, BirdLife no longer believes it is worth proposing the Mount Imawbun area as a national park. The forest structure has been so damaged that not only has canopy cover been significantly reduced, the middle story has been gutted across huge areas. Bird species that hunt by sallying and gleaning are likely to have been hardest hit. The globally threatened Ward’s Trogon *Harpactes wardi* is likely to have been badly affected.

Imawbun now stands as a memory to human greed and reckless and totally unsustainable logging.³⁵⁶



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Mountain Scops Owl *Otus spilocephalus*, Mount Imawbun



Chinese log trucks, Mount Imawbun; January 2007

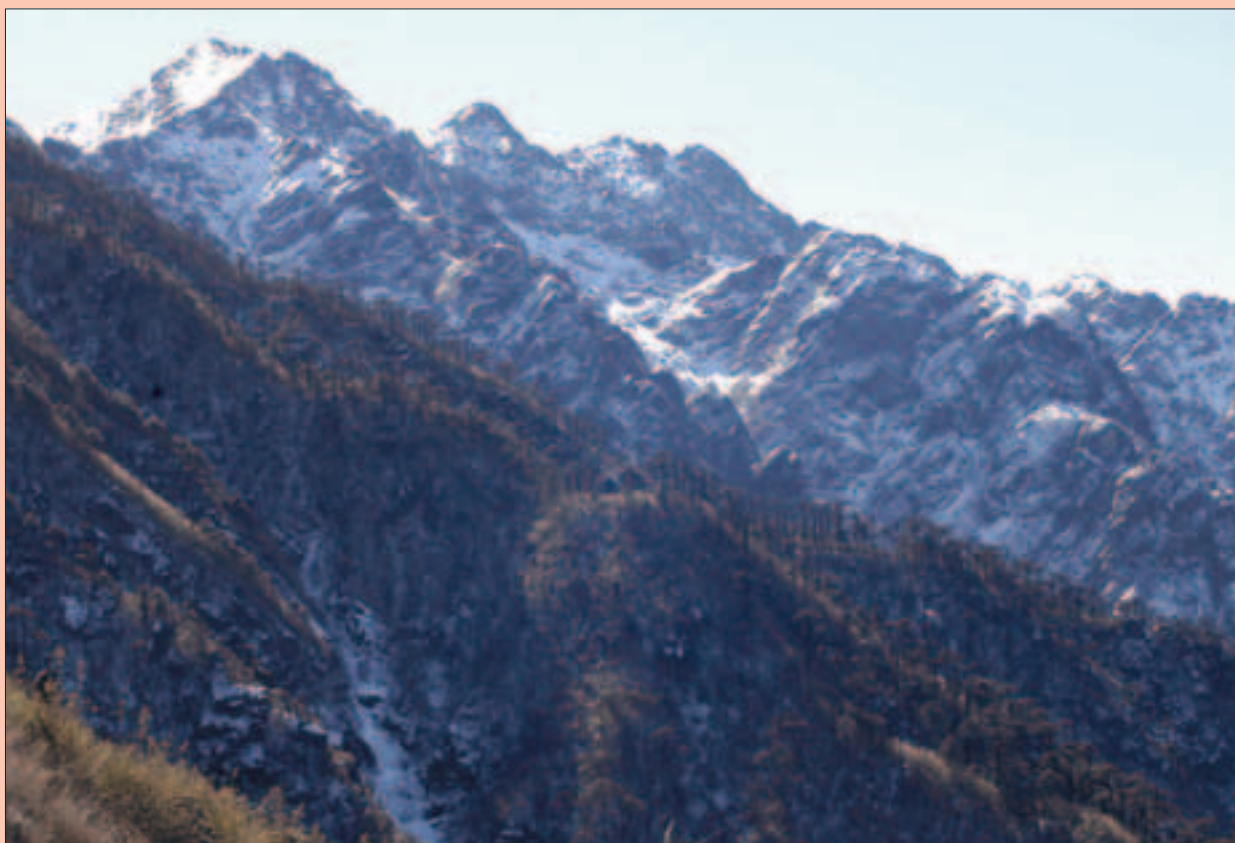
The preceding article, from the April 2007 edition of 'The Babbler, BirdLife International in Indochina' has been reproduced in full with the kind permission of BirdLife International. BirdLife International visited the Mount Imawbun area of north-eastern Kachin State as part of a project, 'Building constituencies for site-based conservation in Myanmar', funded by the UK Government as part of its Darwin Initiative. "The aim of the Initiative is to assist those countries which are rich in biodiversity but poor in financial resources to implement the Convention on Biological Diversity (CBD) through the funding of collaborative projects which draw on UK biodiversity expertise."^{h1}

According to project documentation, Mount Imawbun, located in a biodiversity 'hotspot', was selected for survey, "because of its great height, [and] strategic location on the edge of the Eastern Himalayas and Yunnan Mountains [Endemic Bird Areas] EBAs". As part of the same project the BirdLife team surveyed another Important Bird Area [IBA] in Kachin State, the lowland wetlands in the north. The wetland survey work aimed amongst other things, "to rediscover the feared extinct Pink-headed Duck

Rhodonessa caryophyllacea".³⁵⁷ Additional funding has been secured for this research and it is to be hoped that there is a better outcome than experienced on Mount Imawbun.



Melting frozen diesel at 3,000 metres, Mount Imawbun; January 2007



Mount Imawbun range

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^{h1} The Darwin Initiative was announced by the UK Government at the Rio Earth Summit in 1992, for further information please see: <http://darwin.defra.gov.uk/>

10.3.2 Logging and timber transportation in KIO-controlled areas near the border

Only limited logging is taking place in KIO areas near the border.

The key timber transportation route is through roads that just bypass Laiza leading to Nabang near Yingjiang, in Dehong Prefecture, Yunnan Province. The main timber export roads near Laiza include the

official border crossing point in Laiza Town, which has been closed to timber for long periods of time since 2006, and the unofficial Munglai Dam road.^{h2, 273, 358}

Timber also enters China nearby through the newly built Lau Ying Road.³⁵⁸ Originally the road led to Laiza Town. However, in 2005 Lau Ying constructed a side road leading to the village of Kadu, inside China, located 42 km from Laiza. Some years ago, there was an official checkpoint from the

Chinese side, but this has now been moved to Nabang. The Lau Ying Road was built to import construction material for Mali hydroelectric power plant, constructed for the KIO, and to export logs from the Jahta area where the Mali hydroelectric power plant is located. By using this road traders can bypass the SPDC Lajayang checkpoint, through which they would otherwise have to pass when importing/exporting through Laiza.³⁵⁹ Timber smuggling also takes place a little further south, near Nong Dao, opposite Ruili. In December 2008 planks were still being still carried by motorbike and mule.³⁶⁰ Global Witness researchers did not visit Nong Dao on the 2009 Burma-China border



Log truck from Laiza on the Chinese side of the border; January 2006



Chainsaws for sale in Laiza; March 2007

trip. However, timber traders told Global Witness that timber was still available albeit from only a few small companies and on a small scale. According to the traders one could buy several species including teak, Shuanzhi (*Dalbergia oliver*), Hexinmulian (*Manglietia sp.*), Hongyunxian (*Cantleyt sp.*) and Guaizao (*Hovenia dulcis.*), the honey resin tree. Apparently the timber sold out quickly and potential purchasers were advised to tell them in advance which species were required.³⁶¹

^{h2} The Munglai Dam, and the associated bridge and road were opened on 10 February 2006, as part of the Munglai hydroelectric power plant. The power plant supplies Laiza with electricity and was built for the KIO by Mr Lau Ying of the Kongshin Company Ltd from Kunming.

Similarly, the restrictions have affected timber transportation through Sampai. In 2004-05, teak logs from the Shwegu, Kaukwe and Katha forests, all under SPDC control, arrived in Sampai by boat and truck through Talawgyi and along the Dabak Hka River. These routes all lead to the town of Car Zan, Dehong Prefecture, in Yunnan Province. In 2006, timber was still arriving in Sampai. However, because of the Ohn Myint's stricter enforcement efforts, in the Talawgyi and Sinbo areas, transportation had been made more risky and profits reduced. Some limited logging of softwood species was still taking place at this time and, according to local people, a high-ranking KIO official had donated a primary school to Sampai Town after complaints from the locals that, "*all the trees were disappearing*".³⁶²

The Awng Mai Company had been logging with impunity further south in the Npaba, Mungkhawng and Namlimpa areas, close to Mai Ja Yang and Ruili, since 2005. However, on 6 April 2006, *Tatmadaw* regiments 137 and 232 captured twenty log trucks loaded with planks, belonging to the company, near Mansi and the Mantha Forest (near Bhamo).²⁴² Global Witness first visited the area in April 2004 (see '*A Choice for China*', page 48). It is here, in Ban Li in China, and across the river border in Npaba in Burma, that the Rongmao Company has its main log storage area. There was no checkpoint on the Chinese side of the border and no one was present at the checkpoint on the Burmese side. Apparently, the local authorities in China had removed the checkpoint following the crackdown in 2006, in consideration of local economic development. Indeed, since the last visit in April 2004 there had been a great deal of construction: concrete buildings, temporary housing, fashion emporia, gambling and drug dens,^{h3} bars, guesthouses, and restaurants, all catering for the timber industry. Global Witness researchers also saw between 40 and 50 log trucks.³⁶¹

Rongmao has a large sawmill in Npaba the grounds of which, in early 2009, contained about 100 m³ of logs, sawn wood, boards and barks. The company's timber storage area on the Chinese side of the border, about 1,000 by 800 metres, contained perhaps 30,000 m³ of logs. The stockpile had been far larger, perhaps five times as large, but because of a crackdown by the *Tatmadaw* in the forests near Bhamo it had not been replenished for more than a month. The storage area was dominated by huge Heixinnan (*Magnolia baillonii*) trunk. It also contained logs of many other species including Mianbei (*Gonystylus bancanus*), Huangyuxian (*Cantleyt corniculata*), and Jiayoumu (*Dipterocarpus spp.*), the fake teak tree. According to one source the



Jahta; February 2006



Official border crossing point, Nong Dao, China; January 2007



Unofficial border crossing point, Nong Dao, China; January 2007



Sampai; January 2006

^{h3} Many people were seen smoking Kaku, a type of opium mixed with plant fibre.



Rongmao's log storage area, Npaba; March 2009

'mountain army' received 10 million yuan (US\$1.5 million) from the company over the course of the last logging season and the first few months of the current season. By the time of Global Witness' visit, and after lengthy negotiations with several parties in Burma, the Rongmao Company intended to send its loggers back to Burma again before the rains started.³⁶¹



Nban La and Zahkung Ting Ying; January 2006



Wun Rawt office, Laiza; January 2006

Smuggling has also been taking place in Janpru near Npaba, close to the Chinese town of Banling, near Ruili. Teak blocks, sized 5" x 5" x 3', bought from Outchyang (located south-east of Bhamo), were being sold for 6,000-6,500 kyat (US\$4.9-5.3) in Janpru. The blocks were carried by motorbike at night. Each motorbike can carry between ten and twelve blocks allowing for a minimum profit of 30,000 kyat (US\$25) per bike, per night.³⁶³

The KIO has also faced trouble of a more internal kind in relation to timber transportation. In October 2003, the KIO set up the Wun Rawt Company with the intention of stopping corruption in the KIO, controlling the business and development committees and taxing the timber trade (see *'A Choice for China'*, pages 68-69). The managing director, one of KIO's top leaders Nban La appointed Dr Hkyet Awng to manage the activities of the company. However, controversy erupted over the tax take, which was lower than expected.

According to a source close to the company this was because many Chinese businessmen avoided paying tax by bribing higher level KIO and KIA officials. Dr Hkyet Awng brought this to the attention of Nban La and offered to leave the company but was eventually fired by him on 21 December 2006.

Approximately 600,000 m³ of timber passed through KIO's Laiza gate annually from 2003 until 2006. Official taxation was 900-1,000 yuan per m³ (US\$117-130) for teak and tamalan, and 300-500 yuan per m³ (US\$39-65) for other woods such as pine.³⁶⁴ If these figures are correct, and if all the timber was taxed, this trade would have generated somewhere between 600 million and 180 million yuan (US\$78 million and US\$23 million) each year.

10.4 Logging and timber transportation in NDA(K)-controlled areas

“The NDA(K) will never stop logging. Pangwah, Hpimaw, and Kampaiti have been closed by the Chinese but they [the NDA(K)] have many roads crossing into China. The main problem now is getting logs.” Relative of senior NDA(K) leader, Myitkyina, Kachin State, January 2007

Destructive logging has been ongoing in NDA(K)-controlled territory since the early 1990s. Large tracts of forest have been sold to Chinese logging companies. By early 2008, only a little timber was left. The NDA(K) is facing a timber supply problem, which has been compounded by the ban on logging imposed by Major General Ohn Myint. In addition, this has restricted the amount of timber, logged in areas under KIO and SPDC control, reaching NDA(K) areas en route to China. The restrictions on timber imports by the Chinese authorities have made exports even more difficult. Previously, the NDA(K) derived a large income from taxing the timber trade, some of which has now been taken over by SPDC troops stationed in NDA(K) territory. These developments have caused significant financial difficulties for the NDA(K).^{351, 365, 285}

10.4.1 Logging in NDA(K)-controlled areas

“We have been doing logging for many years now and already depleted our area, there is no more. Now the Chinese are very rich, and NDA(K) very poor.” Senior NDA(K) official, Myitkyina, 2005

According to the NDA(K) chairman, Zahkung Ting Ying, twelve million tons of timber were logged in Kachin State between 1990 and 2007. Most of it was sold to China.³⁶⁶ According to one Kachin businessman however, this figure does not account for timber logged in SPDC or KIO-controlled areas; only that logged in the NDA(K) Special Region 1 (the official name for the NDA(K)-controlled areas). Nor does it include timber cut by villagers

and smaller businessmen. He, in turn, estimates that a total of 25 million tons of timber have been cut in the whole of Kachin State, by all parties, during the same period.³⁶⁷

While exact overall figures are hard to come by, logging in NDA(K)-controlled areas, had declined to 10,000 tons

between November 2006 and January 2007, at the height of the logging season. This timber was cut in the Langse, Kangfang, Hpimaw,^{h4} Sanchyahaw, Sawlaw, Lakin, Mangki and Konglanphu areas located between border posts 7 and 33. Some was also cut on the western bank of the N’Mai Hka inside the Triangle area, immediately opposite Konglangphu and Sawlaw townships. The timber was only softwood species as a senior NDA(K) leader explained: *“There are no more hard woods in NDA(K) Special Region 1.”*³⁵¹



Zahkung Ting Ying at the Imawbun Building opening ceremony; 15 March 2007



NDA(K) soldiers, Kampaiti; April 2005

^{h4} Hpimaw is the Burmese name for the area near the prominent timber border town of Pian Ma in Nujiang Prefecture, Yunnan Province.